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UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA  
SACRAMENTO DIVISION

In re:

RUSSELL WAYNE LESTER, an  
individual, dba Dixon Ridge Farms,

Debtor in Possession.

CASE NO.: 20-24123-E-11

Chapter 11

DCN: FWP-2

Date: March 25, 2021

Time: 10:30 a.m.

Courtroom: 33- Judge Ronald H. Sargis  
Modesto Division  
1200 I Street, Suite 200  
Modesto, CA

**REPLY TO PRIOR OPPOSITIONS TO DEBTOR IN POSSESSION'S  
EMERGENCY MOTION FOR AN ORDER (A) AUTHORIZING INTERIM AND FINAL  
USE OF CASH COLLATERAL; (B) GRANTING REPLACEMENT LIENS; AND (C)  
SCHEDULING FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001 AND  
MARCH 23, 2021 AMENDMENT OF MOTION**

Russell Wayne Lester, an individual, dba Dixon Ridge Farms, and the debtor in possession ("Debtor in Possession") in the above-referenced case, hereby files this Reply to prior oppositions to Debtor in Possession's Emergency Motion for an Order (a) Authorizing Interim and Final use of Cash Collateral; (b) Granting Replacement Liens; and (c) Scheduling Final Hearing Pursuant to Bankruptcy Rule 4001 and Amendment of Motion (the "Motion"). In support of this Reply, the Debtor in Possession respectfully represents:

## CASH COLLATERAL STATUS

1. The current full term cash collateral budget for the period December 12, 2020 through the week ending April 1, 2021 was attached to the Supplemental Declaration of Russell K. Burbank in Support of Debtor in Possession's Simplified Cash Collateral Budget for December 2020 through March 2021 (Docket No. 274). The budget was attached as an Exhibit Document filed concurrently therewith (Docket No. 275).

2. The Debtor in Possession submits below an amendment to its present Motion, which seeks continued interim use of cash collateral through April 8, 2021, the date for approval of the Debtor in Possession's Disclosure Statement.

3. The amount of cash collateral sought to be used through the week of April 8, 2021 is \$75,266.00 plus a 10% variance. *See* Declaration of Russell Burbank, filed concurrently herewith, and **Exhibit 1** to that Declaration, attached to the Exhibit Document, also filed concurrently herewith (the "March 23, 2021 13 Week Cash Collateral Budget").

4. The \$75,266.00 includes \$5,000 to advance to the Solano County Land Trust for the Debtor in Possession's estimated share of the Conservation Easement appraisal cost. The Debtor in Possession has requested that the appraisal go forward prior to finalization of all the documentation.

5. At the April 8, 2021 hearing, the Debtor in Possession will seek final approval of use of cash collateral in the total amount, including the interim period, of \$765,105.00 plus a 10% variance for emergencies through and including June 25, 2021. *Id.*

6. The proposed form of Order granting the continued interim and final use of cash collateral will also contain all the prior adequate protection liens contained in the prior interim orders and will be approved as to form by counsel for both Prudential and First Northern Bank of Dixon after approval.

## AMENDED RELIEF REQUESTED

In addition to the relief requested in the Motion and in prior amendments to the Motion, the Debtor in Possession hereby respectfully requests the Court to:

- a. Grant interim use of cash collateral through the week ending April 8, 2021 in the amount of \$75,266.00 plus a 10% variance.

- ## SUMMARY OF SETTLEMENT DISCUSSIONS

- ## PLAN BACKGROUND

11. Since the initial mediation on February 10, 2021, the Debtor in Possession and Prudential have made significant strides through continued mediation calls with Judge Newsome

1 and the Debtor in Possession expects to have a settlement with Prudential and a confirmable plan  
2 prior to April 8, 2021, if not by the March 25, 2021 proposed emergency hearing date for this  
3 Motion.

#### 4 CONCLUSION

5 12. Considering the extent of the Debtor in Possession's diligence in his efforts to satisfy  
6 the concerns of his two largest secured creditors, Prudential and FNB, authorizing the cash  
7 collateral budget through April 8, 2021, on an interim basis, and through June 25, 2021 on a final  
8 basis will allow the Debtor in Possession the necessary time to continue to settle all outstanding  
9 disputes and confirm a viable plan of reorganization that pays all creditors in full over time.

10 13. The Debtor in Possession submits that authorization of cash collateral use for the  
11 last stretch of the case prior to Plan confirmation will ultimately benefit both Prudential and FNB  
12 and unsecured creditors as it will allow the Debtor in Possession the ability to submit and confirm  
13 a feasible plan providing for payment to all creditors.

#### 14 SERVICE

15 14. This reply and amendment to the Motion shall be served by mail on all creditors on  
16 the Court's mailing list, and by email on all Secured Creditors, parties that have previously  
17 appeared on behalf of parties in interest to this Motion, all parties that have requested special notice  
18 and the Office of the United States Trustee, as well as by email on the CM/ECF e-service.

19 WHEREFORE, the Debtor in Possession respectfully requests that the Court grant the relief  
20 requested herein.

21  
22 Dated: March 23, 2021

23 FELDERSTEIN FITZGERALD  
24 WILLOUGHBY PASCUZZI & RIOS LLP

25 By: /s/ Thomas A. Willoughby  
26 THOMAS A. WILLOUGHBY  
27 Attorneys for Russell Wayne Lester, dba Dixon Ridge  
28 Farms, the Debtor in Possession